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February 25, 2003

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APPLICATION

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: Austin Chalk Zone, Reservoir A
Masters Creek Field
Rapides Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **CHESAPEAKE OPERATING, INC.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Austin Chalk Zone, Reservoir A**, in the Masters Creek Field, Rapides Parish, Louisiana, to-wit:

1. To create one additional drilling and production unit for the exploration for and production of oil and gas from the Austin Chalk Zone, Reservoir A, to be designated AUS C RA SU 78;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within said proposed unit, with

each tract sharing in unit production on a surface acreage basis of participation;

3. To designate a unit operator and a unit well for the proposed unit;
4. Except to the extent herein indicated, to extend to the proposed unit all pertinent provisions of the 1386 Series of Office of Conservation Orders and all applicable Statewide Orders; and,
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Austin Chalk Zone in the Masters Creek Field, Rapides Parish, Louisiana, was previously defined in Office of Conservation Order No. 1386, effective September 14, 1993.

The pre-application conference tentatively scheduled for Wednesday, March 5, 2003 **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, **AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux, 305 La Rue France, Lafayette, LA 70508, (337)233-9839.**

Any question concerning geological or engineering issues should be directed to David Comeaux at (337)-233-9839. Any other questions concerning the unit proposal can be directed to Elaine Geoffroy or the undersigned at (337)266-1247. Any questions concerning the location of your property in relation to the proposed unit or the leasing of property in and around the proposed unit should be directed to Steve Denny at (337)988-7722.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

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Finally, there is enclosed a check in the amount of **\$755.00**, made payable to the Louisiana Office of Conservation, in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/elg/bad

Enclosures

- cc: Mr. Richard Hudson, District Manager
Office of Conservation
- cc: All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

